

# **Indiana Office of Energy & Defense Development**

## **GUIDELINES FOR THE ALTERNATIVE POWER AND ENERGY GRANT PROGRAM**

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## **ALTERNATIVE POWER AND ENERGY GRANT PROGRAM GUIDELINES**

The Indiana Office of Energy & Defense Development (OED) is pleased to offer \$300,000 through the Alternative Power and Energy Grant Program (APE). The APE grant program will provide cost share grants to Indiana's public, non-profit, and business sectors for the purchase and installation of alternative energy systems that will help offset fossil fuel usage and serve as an educational tool.

Alternative energy systems make use of non-fossil fuel resources to produce clean, home-grown electricity and thermal energy. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to diversify the portfolio of resources we use to produce energy.

The purpose of the grant program is to increase awareness and utilization of alternative energy resources.

### **APPLICATION TIMELINE**

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must begin on or after **October 5, 2007** and all grant funds must be completely used by **May 31, 2008**.

<b>July 2, 2007</b>	-APE Grant Program announced and posted to OED website.
<b>October 5, 2007</b>	-Applications must be received by OED. Project construction can begin at applicant's risk.
<b>October 8, 2007</b>	-E-mail confirmation will be sent to each applicant verifying that the application has been received.
<b>October 26, 2007</b>	-All applicants will be notified of their award or denial via e-mail.
<b>November 9, 2007</b>	-Grant agreements will be generated and sent out by this date.
<b>January 15, 2008</b>	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October).
<b>May 31, 2008</b>	-All grant money must be completely used.
<b>December 31, 2009</b>	-Grant agreement expires.
<b>January 31, 2010</b>	-Final report is due.

### **ELIGIBILITY**

#### Applicants

Eligible applicants include entities from Indiana's public, non-profit, and business sectors. Applications from the residential sector (homeowners) are not eligible for grant funding. Projects must be located in Indiana and non-Indiana entities must register to do business with the Indiana Secretary of State.

## Technologies

Alternative energy systems that utilize the following technologies/resources to produce electricity and/or thermal energy are eligible for grant funding:

1. Solar Water Heating (SWH)
  - a. Domestic hot water
  - b. Radiant heating
  - c. NOT swimming pools
2. Solar Electricity
3. Wind Power

Systems that make use of two or more technologies are eligible for grant funding; however each entity is only eligible for one grant.

Transportation applications, non-commercially available technologies and projects using fossil fuels (natural gas, coal or petroleum) are not eligible for grant funding.

## Costs

Equipment and installation costs directly related to the installation of an alternative energy system are considered eligible expenses. Eligible costs and cost-share must occur during October 5, 2007 to May 31, 2008 time period. This means that projects that begin before October 5, 2007 or that will not use all grant funds by May 31, 2008 are not eligible for grant funding.

## **GRANT AMOUNTS AND COST SHARE**

Grant amounts and cost share will be determined based on the following formulas. The maximum grant is \$25,000 for any project.

1. Solar Water Heating
  - 50% of project costs up to a grant of \$25,000
  - A \$50,000 dollar system is the largest system that can receive 50% funding. Larger systems can be funded, but additional capacity will not be subsidized.
2. Solar Electric
  - \$5 per watt of installed nameplate capacity with a \$25,000 max
  - 5 kw (5,000 watts) is the maximum size system that gets \$5 for each watt. Larger systems can receive funding, but additional capacity is not subsidized.
3. Wind Power
  - \$2.50 per watt of installed nameplate capacity with a \$25,000 max
  - 10 kw (10,000 watts) is the maximum size system that gets \$2.50 for each watt. Larger systems can receive funding, but additional capacity is not subsidized.

*Examples: Solar Water Heating project at a school. Total project cost of \$20,000. -This project is eligible for a grant of \$10,000 (50%). The remaining costs must be covered by the applicant or the applicant's partners.*

*6 kw solar electric project at a town hall . Total project cost of \$58,000 - $\$5/\text{watt} * 6 \text{ kw} * 1,000 \text{ watt/kw} = \$30,000$ . This exceeds the maximum of \$25,000, so the project is eligible for the full \$25,000 and the \$33,000 is to be covered by the applicant*

*10 kw wind power project at a fairgrounds. Total project cost of \$48,500 - $\$2.50/\text{watt} * 10 \text{ kw} * 1,000 \text{ watt/kw} = \$25,000$ . This is the maximum grant amount. The remaining \$23,500 would be covered by the applicant.*

Depending on the quality of the applications received, OED may award smaller grant amounts than expected to projects that fit into the above categories.

## **APPLICATION INSTRUCTIONS**

**Only complete applications will be reviewed.** All information requested must be included. Each section in the application is addressed below with specific instructions. Some sections are self explanatory and will be noted as such. To begin click the mouse in the gray box next to "Applicant Organization Name". To move to the next box press tab or click inside the desired box.

**Applicant information-** Demographic information. Organization contact is the person that is going to sign the grant contract if awarded. The project contact is the person in the applicant organization that is in charge of the project. These could be the same person.

**Project Description-** Check only the box next to the technology or technologies used in the project. Fill in the information adjacent to the technology chosen and within the same dark line as the technology. Consult with your installer to get the technical information requested.

**Executive Summary -** The executive summary shall be one page or less. The executive summary is meant to be a high level summary of the project. The executive summary should be suitable for publishing in the media or on the web. This is a very critical element of the application.

**Applicant Background -** Provide a brief history of the applicant organization, pertinent individuals, and project partners. Explain why the applicant is interested in carrying out this project and give reasons for why the project will be successful. Provide applicant's or partner's experience with alternative energy projects.

**Education Plan -** Public education of alternative energy is a key reason for this grant. Please provide the applicant's plans including specific activities that showcase the project as a public education tool. This is also a very critical aspect of the application due to the high priority of public education. While businesses are eligible, it will be critical for their competitiveness to have good educational partnerships.

**Project Budget -** This is a short summary of project costs. Detailed project costs should be provided in the quotes attached to the application.

**Project Timeline** - Projects may not begin before October 5, 2007 and may not be completed after May 31, 2008.

**Historical Energy Use** - Wind and Solar PV will be offsetting electricity, so these projects only need to worry about filling in the electricity data section. Solar water heating projects will use the heating fuel data section. Select the current fuel by click in the appropriate box below the section. Estimate the proportion of heating fuel currently used for water heating

**System Performance** - Provide detailed analysis to predict the annual amount of energy generated by the proposed system. Provide all assumptions used for calculations. Make sure to label all units in the calculations. Consult your installer for help with this section.

**Economic Performance of Project** –

- A- Fill in one box only. Solar PV and wind power use the top box. Solar water heating uses the bottom box.
- B- Select the fuel that you are offsetting and use the price listed for future calculations.
- C- Multiply the number from A times the price in B.
- D- Retrieve from page 6 in application
- E- Retrieve from page 6 in application
- F- Take the value in D and subtract the value from E
- G- Divide the value from D by the value from C
- H- Divide the value from F by the value from C

#### **Attachments:**

**Literature for selected technology** – Include all pamphlets and technical documents related to the chosen technology.

**Utility Contact** - It is extremely important to start a dialog with the electric utility. A signed interconnect or net-metering agreement is not necessary, but a letter you're your utility recognizing the project is essential. The former agreements will satisfy this requirement. The sooner the utility is involved the better. Solar Hot Water systems need **not** fill this requirement.

Indiana net metering rule [170 IAC 4-4.2-1](#)

**Site Drawing** – A detailed site drawing is extremely important to demonstrate the local conditions of the project. Obstructions such as trees and buildings should be shown with their heights labeled in their relative positions to the project. Site drawing shall be on grid paper and shall include an indication of cardinal directions. (I.e. compass rose, north arrow)

**Quotes** – Detailed budget quotes from installer(s) shall be included for the project.

\*applicant is responsible to investigate and obtain all relevant local permits that may be needed to conduct the project .

#### **TERMS**

Grants are only available for eligible applicants. Matching funds are required for this grant program. OED reserves the right to award none of the funding allotted (\$0) to all of

the funding allotted (**\$300,000**), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be used by May 31, 2008.** All grants from OED are on a reimbursement basis only. There is no advance payment in this grant program.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of alternative energy systems covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

## **GRANT RESPONSIBILITIES**

### *Reporting Requirements*

A report is due at the end of each quarter and a final report at the end of the funding period. Quarterly reporting will commence January 2008 and will end with a final report in January 2010. The report will detail activities/results such as timelines, budget information including grant monies received, energy saved, energy cost savings and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due in January, April, July, and October of each year during the Grant Agreement. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy.

A final progress report will be due **January 31, 2010**. This final report will summarize all aspects of the project.

### *Maintain Communication*

The grantee shall maintain communication with the Office of Energy & Defense Development for the duration of the Grant Agreement.

### *Site Visits*

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

## **GRANT APPROVAL**

OED administers the APE Grant Program and will review and score all grant applications. All grant applications submitted will compete against one another for grant funding. If the applicant is approved by OED, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Award notification will be made by **October 26, 2007** and grant agreements will be sent to awardees by **November 9, 2007**. Once the awardee signs and returns the grant agreement to OED, it will begin the State signature process, which can take up to 8 weeks

for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

### **CONFIDENTIALITY INFORMATION**

To the extent feasible and permissible by law, the Office of Energy & Defense Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

### **FOR MORE INFORMATION**

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OED may request additional information from an applicant to help evaluate an application.